

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF GTE SOUTH INCORPORATED	)	
FOR AN ORDER AUTHORIZING THE ISSUANCE	)	CASE NO. 10159
AND SALE OF SECURITIES	)	

O R D E R

On February 11, 1988, GTE South Incorporated ("GTE") filed its application for authority to issue and sell 2,000,000 shares of Common Stock, \$25 par value, to GTE Corporation for \$50,000,000 prior to March 30, 1988. The proceeds from the sale of the securities will be used to repay short-term obligations incurred for construction purposes. Construction was for the purpose of making substantial additions to, and replacements of, its telephone plant in order to meet the demands of the public for telephone service. The proceeds are not to be used to acquire, construct, improve or extend other property.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance and sale of the above securities by GTE are for the lawful object within the corporate purposes of GTE's utility operations, are necessary or appropriate for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

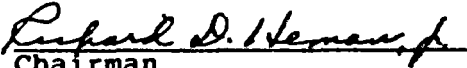
1. GTE is authorized to issue and sell up to 2,000,000 shares of its Common Stock, \$25 par value, to GTE Corporation for \$50,000,000 prior to March 30, 1988.

2. The proceeds from the transactions authorized herein shall be used only for the lawful purposes as set out in the application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 14th day of March, 1988.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director